



Family and Social Services Administration

**Community and Home Options to Institutional
Care for the Elderly and Disabled
(CHOICE)**

**Annual Report
State Fiscal Year 2010**

July 1, 2009 – June 30, 2010

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Executive Summary

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program continued to provide needed services for thousands of Hoosiers in State Fiscal Year 2010 (SFY10), which encompasses July 1, 2009 through June 30, 2010. In SFY10, CHOICE provided community and home care services as an alternative to institutional care for 11,477 Hoosiers. CHOICE served an average of 4,399 clients per month, with average expenditures of \$856.47. Total CHOICE expenditures for the fiscal year were \$45,211,777, which are exclusively state dollars.

The average cost per month for a CHOICE client was \$328.28 compared to the average cost per month of a client in a nursing facility of \$3,551.04. The average yearly cost for a CHOICE client was \$3,939.36, with 53% of CHOICE clients only receiving Case Management and no direct services. The average yearly cost of a nursing facility client is \$42,612.54. The overall yearly variance between CHOICE yearly cost and nursing facility yearly cost is \$38,673.18.

Introduction

The Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program was established during the 1987 legislative session through House Enrolled Act 1094 and began as a pilot program in Knox, Daviess, and Tippecanoe counties in 1988. In 1990, the program expanded to eleven additional counties and by 1992, the program included services to all of Indiana's 92 counties. In 2005, Indiana Code 12-10-10-4 was amended to include an individual asset limit to not exceed the worth of five hundred thousand dollars. CHOICE is funded exclusively with state dollars.

To be an "eligible individual" for CHOICE program services, one must:

be a resident of the State of Indiana;

be 60 years of age or older or disabled;

not have assets exceeding the worth of five hundred thousand dollars, as determined by the Indiana Division of Aging; and

qualify under the criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence if the individual is unable to perform two (2) or more assessed activities of daily living.

CHOICE funding for services is used after all other possible payment sources have been identified and all reasonable efforts have been employed to utilize those sources. While there are no income restrictions on eligibility, a cost share exists for anyone above 150% of Federal Poverty Level. The 2010 Federal Poverty Level for a one person household was \$10,830 and a two person household was \$14,570.

Basis for the CHOICE Annual Report

IC 12-10-10-11 is the basis for the CHOICE annual report. The code is listed throughout this report along with the appropriate statistics and data from SFY10, which encompasses July 1, 2009 through June 30, 2010.

Reporting Requirements

IC 12-10-10-11

Before October 1 of each year, the Division, in conjunction with the Office of the Secretary, shall prepare a report for review by the Board and the General Assembly. The report must include the following information regarding clients and services of the Community and Home Options to Institutional Care for the Elderly and Disabled (CHOICE) program and other long term care home and community-based programs.

Amount and Source of Local, State and Federal Dollars Spent

IC 12-10-10-11(a) (1)

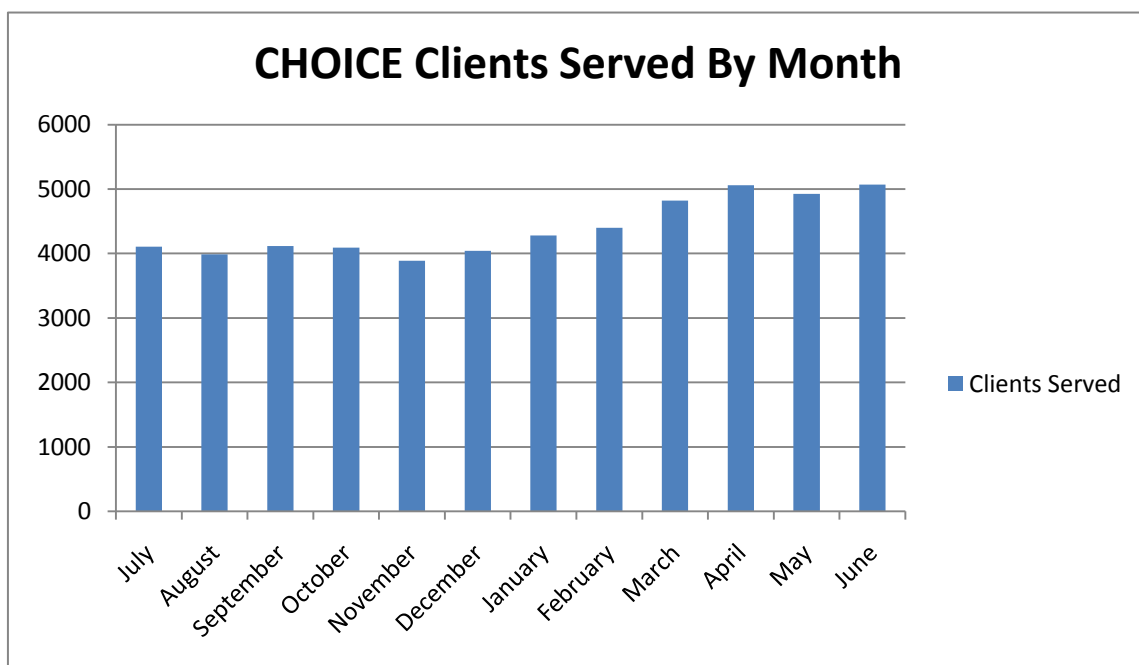
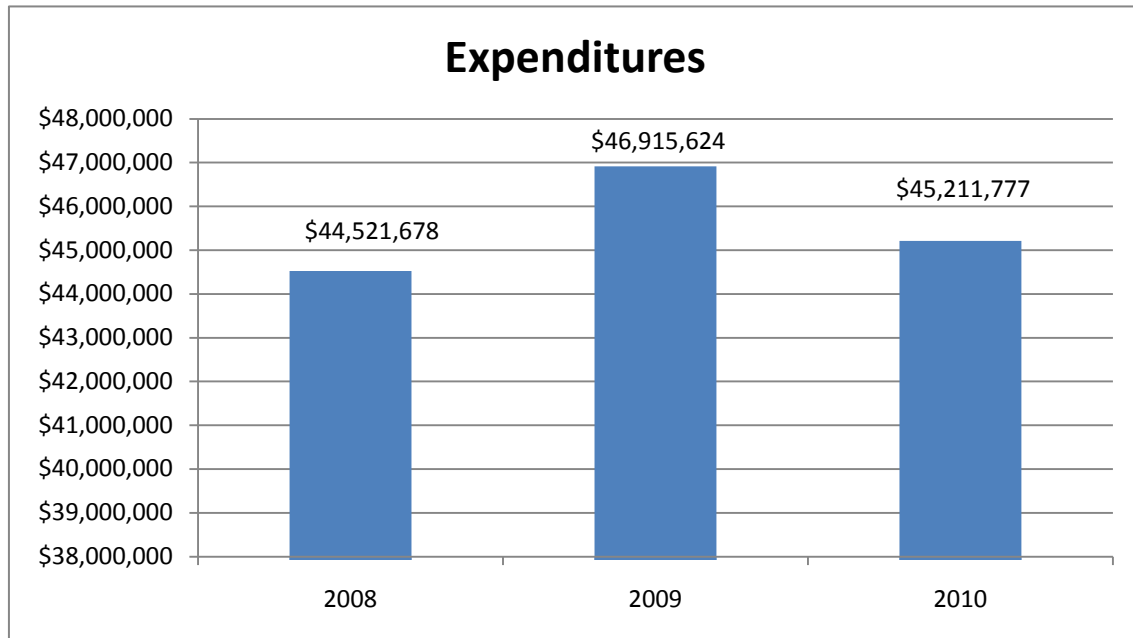
Total Expenditures (CHOICE, SSBG, Older Americans Act - Title III, Aged and Disabled Medicaid Waiver, and Traumatic Brain Injury Medicaid Waiver) for SFY10.

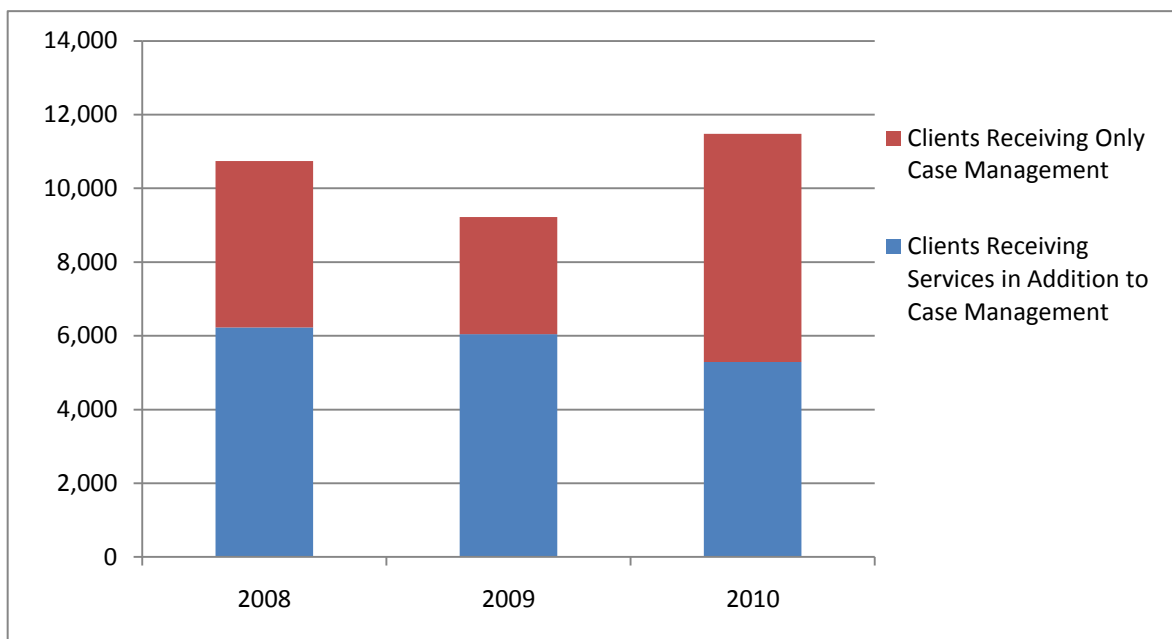
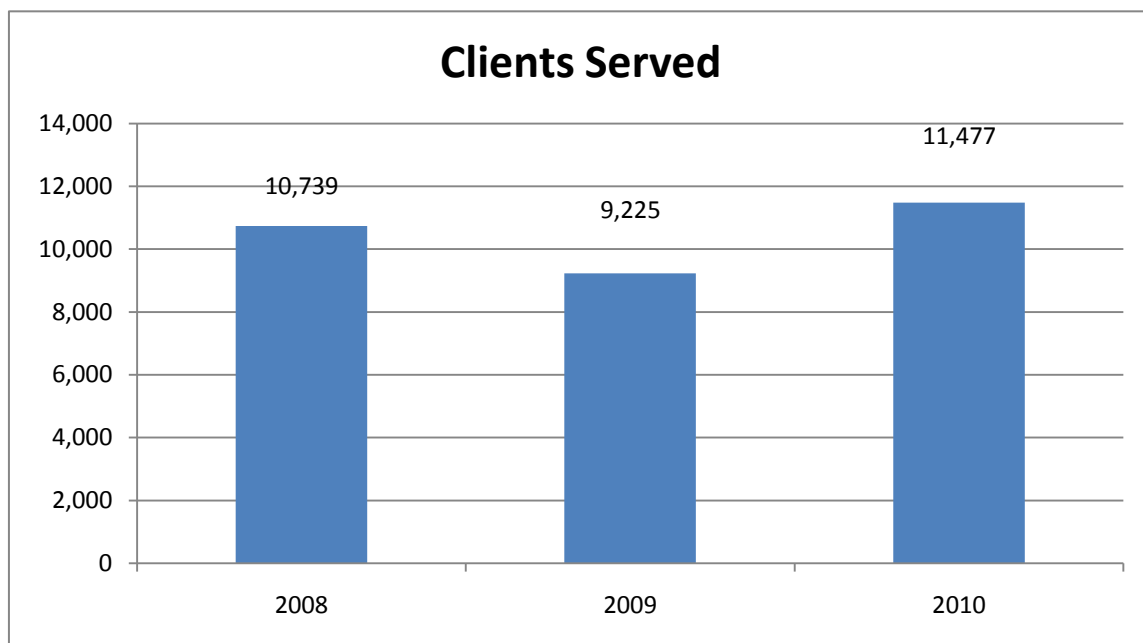
	Total		State		Federal	Total # Served¹
Aged & Disabled Medicaid Waiver ²	\$	123,415,219	\$	30,002,240	\$ 93,412,979	10,913
Traumatic Brain Injury Medicaid Waiver ³	\$	4,447,232	\$	1,081,122	\$ 3,366,110	153
Social Services Block Grant (SSBG) ⁴	\$	6,698,849	\$	687,396	\$ 6,011,453	17,505
Older Americans Act- Title III ⁵	\$	25,165,675	\$	195,459	\$ 24,970,216	19,089
CHOICE ⁶	\$	45,211,777	\$	45,211,777	\$ -	11,477
SFY 10 Total Expenditures	\$	204,938,752	\$	77,177,994	\$ 127,760,758	59,137

Below is a comparison of the past three state fiscal year CHOICE expenditures and number of clients served in 2008, 2009, and 2010, respectively.

Year	Expenditures	Clients Served	Clients Receiving Only Case Management ⁷
2008	\$ 44,521,678	10,739	4,508
2009	\$ 46,915,624	9,225	3,184
2010	\$ 45,211,777	11,477	6,191

** Case Management Only clients may be receiving other services under other funding sources. The clients identified above are only receiving Case Management paid for by the CHOICE program.





Use of CHOICE to Supplement the Funding of Services from Other Programs⁸
IC 12-10-10-11(a) (2)

Number of people who received at least 1 CHOICE service in one month while they were also Medicaid eligible: 4127⁹

Number and Types of Providers¹⁰
IC 12-10-10-11(a) (3)

Total Number of CHOICE Providers:
1431

Types of Participating CHOICE Providers:

Adult Day Care Centers
Assistive Technology Suppliers
Construction Companies
Faith-Based Social Service Agencies
Home Health Agencies
Hospitals
Legal Service Organizations
Medical Centers
Mental Health Agencies
Pharmacies
Transportation Companies

Area Agencies on Aging
Cleaning Service Companies
Doctors
Home Delivered Meals Services
Home Nursing Agencies
Informal Providers
Local Housing Authorities
Medical Equipment Companies
Pest Control Companies
Physical Therapists

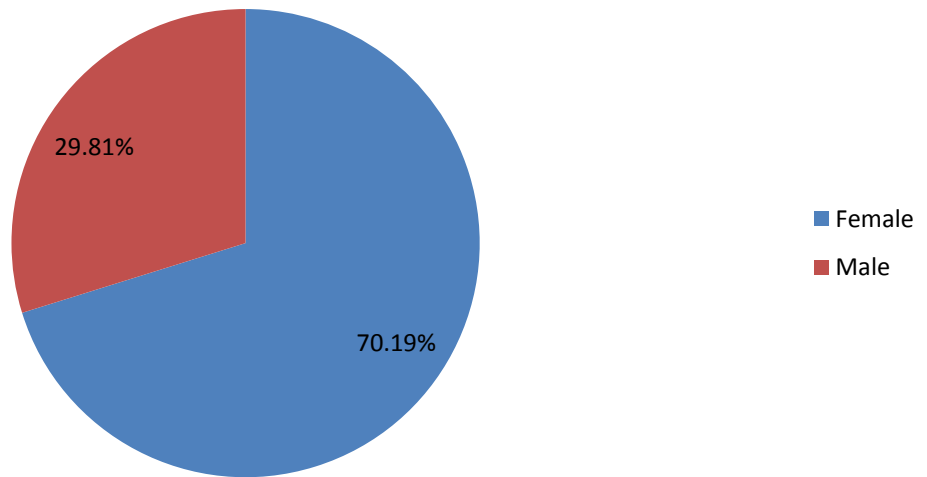
Demographic Characteristics¹¹
IC 12-10-10-11(a) (4) (A)

Total clients:
 11,477

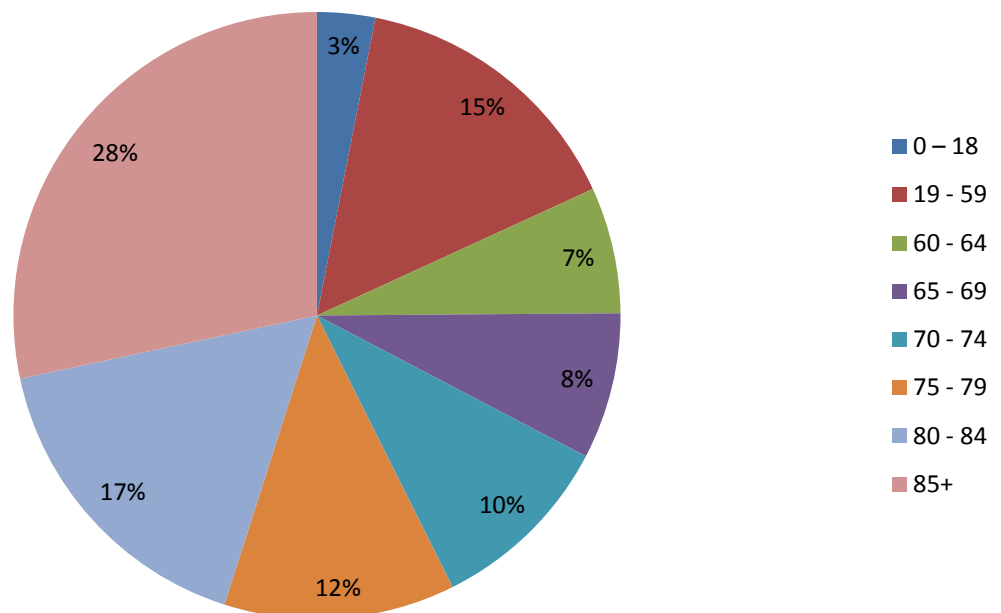
<u>Ages</u>	<u>Female</u>	<u>Male</u>	<u>Total</u>
0 – 18	139	212	351
19 - 59	1028	683	1711
60 - 64	526	238	764
65 - 69	626	259	885
70 - 74	794	337	1131
75 - 79	1021	376	1397
80 - 84	1360	540	1900
85 – 89	1345	427	1772
90 -94	801	266	1067
95 – 99	262	52	314
100 – 104	48	10	58
105 – 109	6	0	6
110 – 114	1	1	2
Total	7957	3401	11358

NOTE: There were 119 clients that did not report a gender

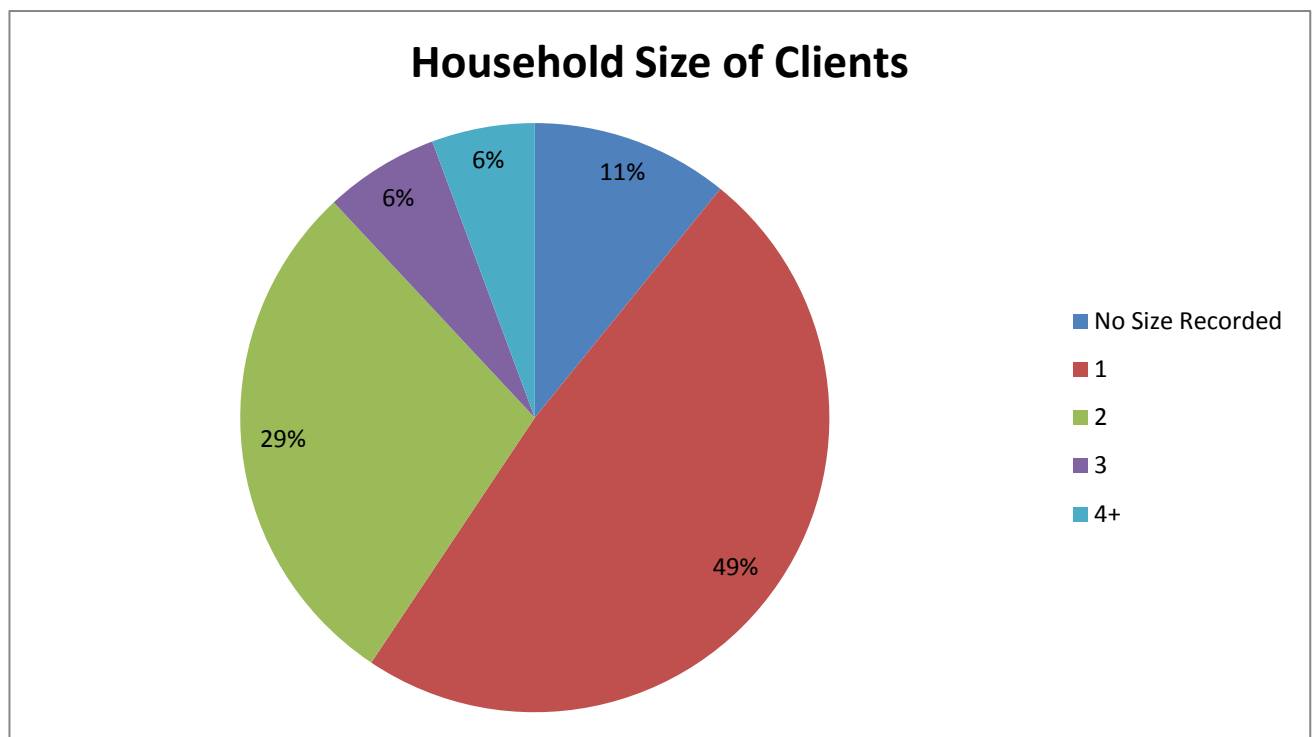
Gender of Clients



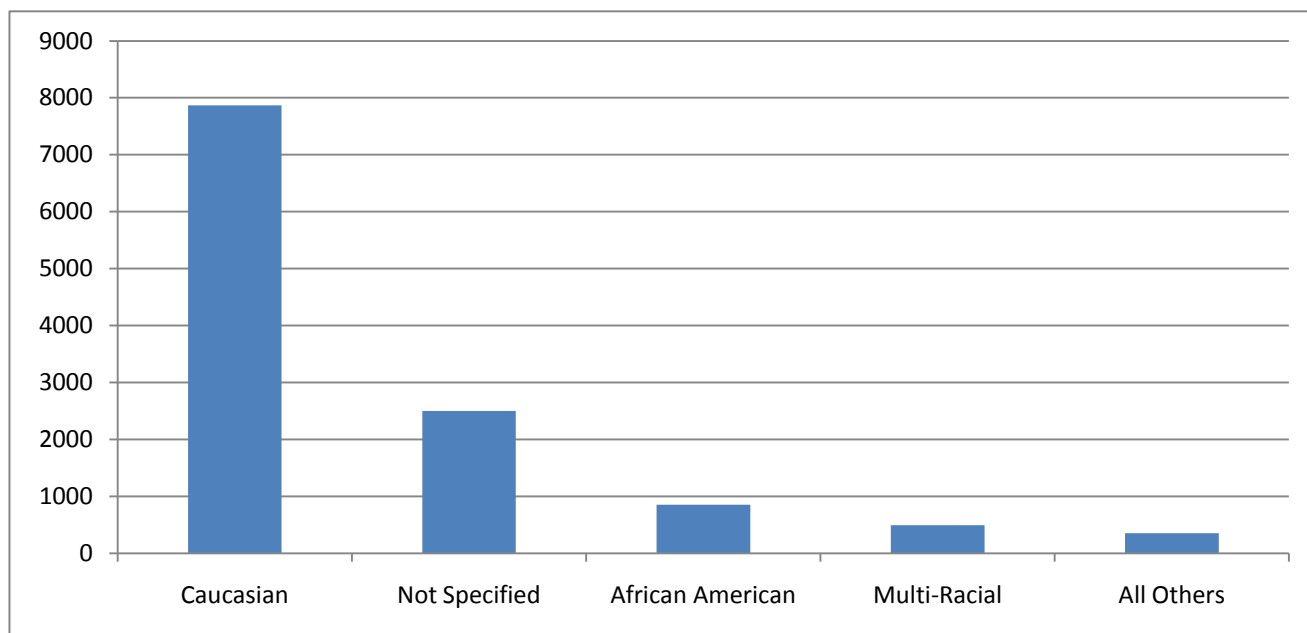
Age of Clients



<u>Household Size</u>	<u>Number of Clients</u>
No Size Recorded	1245
1	5569
2	3291
3	723
4	649
Total	11477



Race¹²	Clients
Caucasian	7865
Not Specified	2498
African American	854
Multi-Racial	494
All Others ¹³	354



Impairments and Medical Characteristics of CHOICE Clients ¹⁴
IC 12-10-10-11(a) (4) (B)

Impairments and Medical Characteristics of CHOICE clients include:

Primary		
Diagnosis	Number	% of Total
1. No Diagnosis Code	2378	20.72%
2. Circulatory	2073	18.06%
3. Nervous	1745	15.20%
4. All others ¹⁵	5281	46.01%

Secondary		
Diagnosis	Number	% of Total
1. No Diagnosis Code	3458	30.13%
2. Circulatory	2031	17.70%
3. Muscular	1570	13.68%
4. All others ¹⁶	4418	38.49%

Tertiary		
Diagnosis	Number	% of Total
1. No Diagnosis Code	5143	44.81%
2. Circulatory	1550	13.51%
3. Muscular	1156	10.07%
4. All others ¹⁷	3628	31.61%

**Comparison of Costs for All Publicly Funded Long Term Care Programs
IC 12-10-10-11(a) (5)**

SFY10	CHOICE	Older Americans Act - Title III	Combined Home and Community-Based Waivers	Social Services Block Grant (SSBG)
Annual Expenditures¹⁸	\$45,211,777	\$25,165,675	\$127,862,451¹⁹	\$6,698,849

CHOICE	Total	State	Federal
Average Cost			
Per Day	\$ 10.79	\$ 10.79	\$ -
Per Month	\$ 328.28	\$ 328.28	\$ -
Per Year	\$ 3,939.36	\$ 3,939.36	\$ -
Nursing Facilities²⁰	Total	State	Federal
Average Cost			
Per Day	\$ 125.39	\$ 30.48	\$ 94.91
Per Month	\$ 3,551.04	\$ 863.26	\$ 2,687.79
Per Year	\$ 42,612.54	\$ 10,359.11	\$ 32,253.43

** The average NF cost per month is the average cost per day multiplied by the 28.32, which represents the average number of utilization days per month. The average cost per year is the average cost per month multiplied by 12 months per year.

**Client Care Outcomes²¹
IC 12-10-10-11(a) (6)**

CHOICE provided community and home care services as an alternative to institutional care for 11,477 clients in SFY10, of which 5286 received CHOICE funded services beyond case management.

For SFY10, there were 825 CHOICE clients who were approved and confirmed to start either the Aged and Disabled Waiver or the Traumatic Brain Injury Waiver, thus transferring from the CHOICE program to a Medicaid Waiver service.

Estimated Number of Applicants for Services from CHOICE with One ADL²²
IC 12-10-10-11(a) (7) (A)

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have one (1) assessed activity of daily living (ADL) that cannot be performed.

CHOICE clients unable to perform 1 ADL: 571

*Clients receiving only Case Management services are included in this number.

Estimated Number of Applicants for Services from CHOICE with Two ADLs²³
IC 12-10-10-11(a) (7) (B)

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have two (2) assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 2 ADLs: 2268

*Clients receiving only Case Management services are included in this number.

Estimated Number of Applicants for Services from CHOICE with Three or More ADLs²⁴
IC 12-10-10-11(a) (7) (C)

A determination of the estimated number of applicants for services from the community and home options to institutional care for the elderly and disabled program who have three (3) or more assessed activities of daily living (ADLs) that cannot be performed.

CHOICE clients unable to perform 3 or more ADLs: 6982

CHOICE clients with severe medical conditions: 1153

*Clients receiving only Case Management services are included in these numbers.

Estimated Effect on Program Funding, Program Savings, Client Care Outcomes and Comparative Costs
IC 12-10-10-11(a) (7) (A) (B) (C)

Program savings

The average cost per month for CHOICE services was \$3,222.76 less than the average cost to maintain someone in an institution (\$328.28 vs. \$3551.04). The breakdown of State versus Federal portion of the savings (by day, month, and year) is illustrated below. The calculation of the savings is based on the total savings (A-B).

	Daily Rate	Monthly Rate	Yearly Rate
A. Nursing Home	\$ 125.39	\$ 3,551.04	\$ 42,612.54
B. CHOICE ²⁵	\$ 10.79	\$ 328.28	\$ 3,939.36
C. Savings (A - B)	\$ 114.60	\$ 3,222.76	\$ 38,673.18
D. State Share of Savings ²⁶	\$ 27.86	\$ 783.45	\$ 9,401.45
E. Federal Share of Savings ²⁷	\$ 86.74	\$ 2,439.31	\$ 29,271.73

**** Savings may not be realized because a CHOICE client is not necessarily nursing facility eligible and may not be eligible financially for Medicaid.**

Client access

In SFY10, CHOICE clients had access to an array of services. CHOICE services include the following:

Adult Day Services	Homemaker
Transport – Adult Day Services	Home Health Aide
Specialized Medical Equipment	Home Health Supplies
Assisted Transportation	LPN
Attendant Care	Medication Setup
Bath Aide	Medication Time Reminders
Behavior Management	Occupational Therapy
Case Management	Other Needed Services
Environmental Modification	Physical Therapy
Family and Care Training	Respite
Foot Care	Resident Based Habilitation
Home Delivered Meals	Respite – Homemaker
Skilled Care, RN	Speech Therapy
Respite Nursing	Social Worker
RN	Transportation
Skilled Nursing	Wheelchair Transportation

Costs of Other Funding Sources for Services and their Annual Costs Compared to CHOICE Annual Cost²⁸

Funding Source	Annual Cost - SFY10		
	Total	State	Federal
Aged and Disabled Medicaid Waiver	\$ 123,415,219	\$ 30,002,240	\$ 93,412,979
Traumatic Brain Injury Medicaid Waiver	\$ 4,447,232	\$ 1,081,122	\$ 3,366,110
Social Services Block Grant	\$ 6,698,849.00	\$ 687,396.00	\$ 6,011,453.00
Older Americans Act - Title III	\$ 25,165,675.00	\$ 195,459.00	\$ 24,970,216.00
CHOICE	\$ 45,211,777.00	\$ 45,211,777.00	\$ -
Total	\$ 204,938,751.58	\$ 77,177,993.74	\$ 127,760,757.84

¹ INsite (Indiana In-Home Services Information System)

² A&D expenditures were taken from Milliman's financials. State share was calculated as \$ * 0.2431; Federal share was calculated as \$ * 0.7569

³ TBI expenditures were taken from Milliman's financials. State share was calculated as \$ * 0.2431; Federal share was calculated as \$ * 0.7569

⁴ Division of Aging Accounting

⁵ Division of Aging Accounting

⁶ CHOICE is 100% state funded

⁷ Case Management Only clients may be receiving other services under other funding sources. The clients identified above are only receiving Case Management paid for by the CHOICE program.

⁸ INsite (Indiana In-Home Services Information System)

⁹ Clients matched from CHOICE against Indiana Medicaid only

¹⁰ INsite (Indiana In-Home Services Information System)

¹¹ INsite (Indiana In-Home Services Information System)

¹² As some clients reported being multi-racial, there is a possibility of duplication

¹³ The term "all others" includes: Alaska Native, American Indian, Asian, Asian Indian, Chamorro, Chinese, Cuban, Filipino, Guamanian, Hispanic, Japanese, Korean, Mexican, Mixed, Native Hawaiian, Other Pacific Islander, Other Asian, Other Hispanic, Other Race, Puerto Rican, Samoan and Vietnamese

¹⁴ INsite (Indiana In-Home Services Information System)

¹⁵ Includes: Infections, Neoplasm, Endocrine, Blood Disorders, Mental, Respiratory, Digestive, Urinary, Pregnancy, Skin, Muscular, Congenital, Perinatal, Other

¹⁶ Includes: Infections, Neoplasm, Endocrine, Blood Disorders, Mental, Nervous, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other

¹⁷ Includes: Infections, Neoplasm, Endocrine, Blood Disorders, Mental, Nervous, Respiratory, Digestive, Urinary, Pregnancy, Skin, Congenital, Perinatal, Other

¹⁸ Division of Aging Accounting

¹⁹ Includes Aged and Disabled and Traumatic Brain Injury Medicaid Waivers

²⁰ Milliman, Inc. State share was calculated as \$ * 0.2431; Federal share was calculated as \$ * 0.7569

²¹ INsite (Indiana In-Home Services Information System)

²² INsite (Indiana In-Home Services Information System)

²³ INsite (Indiana In-Home Services Information System)

²⁴ INsite (Indiana In-Home Services Information System)

²⁵ CHOICE monthly rate is calculated as total expenditures divided by total unduplicated annual clients served

²⁶ State share was calculated as \$ * 0.2431

²⁷ Federal share was calculated as \$ * 0.7569

²⁸ Division of Aging Accounting